

**OECD Joint High-Level Meeting of the OECD Development Assistance
Committee (DAC) and the Environment Policy Committee (EPOC)
28-29 May 2009**

Session 2: “Financing for Climate Change Adaptation”

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Mr. Chairman,
Dear Colleagues,
Ladies and Gentlemen,

I was invited as a last-minute Lead Speaker to this session as the original Lead Speaker, my Swedish colleague Minister Gunilla Carlsson had to cancel her participation. I am sure that Gunilla would have presented the findings of 'Closing the Gaps' - the recent publication of the Swedish Commission on Climate Change and Development. Unfortunately, I can not do that on her behalf.

First of all, I would like to congratulate the organisers of this meeting for the documentation they have put up for us as a background for our discussions. The documentation is valid and timely.

I would like to start by remembering the glorious times of the Rio Conference. What we achieved in Rio was a comprehensive and holistic view of development and environment. In recent years, there has been a negative trend: environmental questions have been split and the links between development and environment have been largely broken and these issues are discussed separately in different fora. The division can also be seen in our meeting: we are discussing climate change adaptation now and climate change mitigation in session 4. However, these issues should be seen together in a wider context and thus they should be discussed together. We need to gain again a holistic view on environment and development.

All development must be sustainable and things should be seen from this perspective. When discussing financing for development - and financing for climate change in this particular case - developing countries should be provided additional funding for it. Furthermore, financing provided by donor governments - both for mitigation and adaptation - should be considered as Official Development Assistance. There is no need to create new financing structures for this purpose. Instead, we should use existing funds, channels and organisations.

Mr. Chairman, Ladies and Gentlemen,

I would like to give some answers to the three questions that were put before us for this session in the Issues Paper.

First, in light of the financial crisis, how can the potential of innovative mechanisms be harnessed to generate adaptation finance?

The identification of suitable innovative sources and mechanisms for both mitigation and adaptation financing has a central role on the agenda of the on-going climate change negotiations. There are already some promising signs in this process. In addition to these initiatives, we must reach a deal in the WTO to make green technology free from all trade barriers to enhance climate change adaptation and its financing. Furthermore, it is important to ensure that developing countries can participate in the mitigation efforts and benefit from the possible income opportunities they provide while supporting the use of green technologies with policy-level decisions. Eventually, this will decrease the need for ODA-financing.

Secondly, how can finance for adaptation be ensured in a manner that is consistent with commitments under the Monterrey Consensus, the Paris Declaration and the Accra Agenda for Action?

Concerning the principles of the Accra Agenda for Action and the Paris Declaration, same kind of rules must be applied to climate change financing. I would also like to emphasise in this context that the level of financing is important and all countries should keep up with their ODA commitments. EU Member States have reconfirmed that they will stick to their commitments. I hope that other countries will do the same.

Thirdly, what steps can we take to ensure that the systems and capacity necessary to manage adaptation finance effectively are in place in partner countries?

I believe that the key here is a unified system for financing for development and climate change. The principle of unified systems should refer also to the channels of this financing as well as to the organisations managing them. If a unified system is not followed, this will create confusion and additional burdens at the partner countries and, furthermore, weaken the ownership of national stakeholders.

Thank you.